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Could Republicans ever support a carbon tax? Bob Inglis thinks so.

By Brad Plumer, Updated: March 14, 2013

The conventional wisdom around Washington is that Republicans will never, ever support a carbon tax to address climate change. And it's not hard to see why. Right now, they really seem to loathe the idea.

Take Rep. Steve Scalise (R-La.). The chairman of the Republican Study Committee held <u>a</u> <u>news conference</u> Wednesday to introduce a resolution opposing any new national tax on carbon emissions. He's lined up plenty of support among conservatives and industry groups, from Grover Norquist to the National Federation of Independent Business.

"A national carbon tax would devastate an already struggling American economy, force the cost of gas at the pump to jump even higher, and kill millions more jobs here at home," Scalise said. End of discussion, it would seem.

Yet if you ask Bob Inglis of the Energy & Enterprise Initiative, he thinks Republicans can be persuaded to back a carbon tax. It will just take time. And Inglis, a former Republican congressman from South Carolina, thinks he knows how to sell the idea. Never mind that he was ousted from Congress in 2010 by a Tea Party-backed primary challenge because of his climate views. The GOP, Inglis insists, can change.

Inglis starts with the notion that conservatives will only accept a tax on carbon emissions if every dollar of revenue is used to cut taxes elsewhere — say, corporate taxes or income taxes. "We have to be absolutely clear that we're not trying to grow the size of government," he says.

And the environmental pitch has to be calibrated right: "We're not talking about regulations or EPA action," he adds. "All we're talking about is accounting for the true cost of the fuels we use. And I should mention that we're not talking about apocalyptic visions of climate change. What we're talking about is reasonable risk avoidance, the kind that our friends in the insurance industry are now taking cognizance of."

It's a market approach — the sort of thing economists <u>often favor</u>. Power plants and cars inflict a certain amount of environmental damage when they burn oil, gas, and coal. So the efficient thing to do is ask fossil-fuel users to pay for that damage, through a fee on emissions. The tax would discourage wasteful fuel use. And the revenue could be used to reduce economically burdensome taxes elsewhere, like the income tax.

Inglis would add a few other proposals too. He wants to eliminate all federal subsidies for energy — whether <u>it's loan guarantees for solar firms like Solyndra</u> or "special tax breaks" for oil drilling. He'd also make sure the carbon tax applied to imports, as well, so that U.S. manufacturers didn't just move overseas to China and India.

"I think conservatives could be open to that idea," he says. "If you have a true market competition between fuels, if the government's not picking winners and losers, if you're not decimating American manufacturing, then you have something that works."

So has he actually managed to sell any conservatives on this idea yet? That's the tricky part. For now, Inglis says, he's mostly talking to "young Republicans, federalist societies, energy clubs at business schools, young evangelicals. We've seen acceptance and even enthusiasm there," he says. "That way we can build support for elected officials."

Republicans in Congress are a far bigger challenge, he concedes. But he's working on a new appeal — self-interest to members in natural-gas states. After all, a carbon tax would give natural gas an advantage over coal, which is more carbon-intensive. So consider Louisiana's Steve Scalise again. Inglis points out that Louisisana has 1,360 percent more jobs in natural

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gas than coal.

As for Democrats, Inglis thinks they'll need to do a better job of outreach. For example, on Tuesday, Rep. Henry Waxman (D-Calif.) <u>unveiled a proposal</u> for a carbon tax and asked for public input on what to do with the revenue. "Waxman should ask [House Speaker John] Boehner what he wants to do with the revenue," Inglis says. "Boehner may decide he wants to cut corporate income taxes. Waxman has to be able to live with that."

That's trickier than it sounds. Many environmentalists have very different ideas about how a carbon tax should be designed. Using carbon revenue to slash corporate income taxes would be regressive, according to recent modeling by researchers at MIT. What's more, energy experts like Mark Muro of Brookings have made a plea for using carbon revenue to fund clean energy — something Inglis opposes.

It's also worth reiterating that Inglis has lost this battle before, and badly. Back in 2010, while still in the House, Inglis told a town hall in South Carolina that he believed that humans were indeed warming the planet — a heretical position for many on the right. That fall, Inglis lost the GOP primary to a more conservative candidate, Trey Gowdy.

After his loss, Inglis <u>lamented</u> the fact that the House GOP was implacably opposed to action on global warming. Yet even then, he wondered if there might be some Republicans who were reachable. "How many know better and aren't saying anything?," he said. That's what he's now trying to find out.

Further reading:

- -What's the best way to design a carbon tax? Lawmakers ask for suggestions.
- -China may soon get a carbon tax. But how effective will it be?
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